

**Rivergrove Water District
Minutes-Regular Board Meeting
October 22nd, 2018**

Chair DeVries called the Rivergrove Water District regular board meeting to order at 7:32 AM at 17661 Pilkington Rd, Lake Oswego. Commissioners DeVries, and Patterson were present. Commissioner Roth was on speaker phone for the meeting. Commissioners McDowell and Johnson were absent. Water District Manager DJ Ezell, Finance Specialist Colleen Jacobson, and Kyle Pettibone, RGWD District Engineer, were also present.

CONSENT AGENDA

Public Comment: None

**TAB 1: Minutes-September 24th, 2018, 2018 Regular Board Meeting-Tabled
UNFINISHED BUSINESS**

TAB 2-Reservoir #3 Project update/Water Conservation Plan Update/Shake Alert Suggestions

Kyle noted that they have prepared the Task Order #1 Amendment 2 for completion of the design, permitting, and bidding phases for the Reservoir #3 project. The scope covers all the work that was previously outlined in the Technical Memo #1.

Chair DeVries asked for clarification on the task order authorizations. Kyle stated that there are two different task order authorizations in front of the Board. The first is for an amendment to Task Order #1 for the reservoir project. The original task order covered the alternatives analysis and conceptional layout which resulted in the technical memorandum. Amendment #1 dealt with a contractual item that was attached to the project funding. Amendment #2 will amend the Task Order #1 to include the design, permitting and bidding for the Reservoir 3 project.

Chair proceeded to clarify that Amendment #2 would increase the total contract for Task Order #1 from \$59,101 to \$344,253 and Kyle confirmed.

Kyle explained that Task Order #2 is a totally separate project that involves preparing a Progress Report that will be submitted to Oregon Water Resources for the district's Water Management and Conservation plan that is due.

Chair DeVries asked Kyle for in the future when he gives us the updates that if he could include a budget to actual spreadsheet or something. It doesn't have to be extravagant but just where we stand. Kyle agreed to do that.

Conversation then returned to Task Order #1, Amendment #2. Kyle clarified that Amendment # 2 is intended to cover all tasks up to the start of construction. As we get closer to construction, Kyle will work with DJ/staff to determine what level RH2 will be involved during Construction.

Kyle stated that surveying and Geotechnical have come in a bit higher than they anticipated. In regards to the survey, contingency funds have been included since there is one property corner that has not been located in the field yet. If the surveyor is unable to located, a boundary survey would be needed which is included in the contingency.

Kyle commented that the water main between the tanks is probably the place where there is the most uncertainty in terms of construction changes. From a construction standpoint, what they have done in the past is to include into the Contractor's bid a minor change

item, which basically provides some contingency for change orders so that staff can deal with field changes as they arise.

Commissioner Patterson asked if there was any lead testing done? Kyle stated that none had been done yet, but based on the age of the tank it is believed that it was painted without lead paint. He felt that since over coating has mainly been done, and there hasn't been a lot of blasting done he felt that there would be a fairly low risk of there being that type of contamination in the soil around the tank.

Commissioner Patterson would like to know how much the testing costs and feels that we should do some testing to make sure we have done our due diligence up front. Kyle will check into it.

DJ mentioned that since the amount is much more than was anticipated by Jim Helton, we will have to go back to amend the loan for the added costs, however, this task order of \$344,253 will be covered by the loan amount that has already been approved.

Commissioner Patterson moved that we approve the amendment to task order #1 adding the amount of \$344,253 to the Reservoir #3 project. Commissioner Roth seconded. Motion passed. Commissioners Roth, Patterson, and DeVries voted aye. Task order #2-Conservation Management plan update report that is slightly past due to be done. RH2 has already contacted the state as to our status and they are aware. They will work with staff to compile the necessary information and file the report with the State.
Commissioner Patterson moved that we approve task order #2. Commissioner Roth seconded. Motion passed. Commissioners Roth, Patterson, and DeVries voted aye. Nays none.

Development Issues:

Kyle reported that we need to discuss the 5550 Jean Road project and the Mission Court project. He passed out plan copies.

5550 Jean Rd-the developer would like to put two homes on this lot. There is an existing 6-inch AC main in Pilkington. Originally, the homes were designed to front from Jean Road however, Lake Oswego in development review, required them to change where they will front and have driveway access to Pilkington.

The District's main in Jean has already been upgraded to ductile iron. The main in Pilkington has not. When it got rotated to fronting Pilkington, Kyle as he interprets the District's Ordinance, responded with agency comments that the main in the frontage in Pilkington would have to be replaced because it was AC pipe. This has been a significant change in scope and cost to the Developer and he feels that it is unfeasible. We've looked at it and there is an existing water service on Pilkington Road that could be reused.

Discussion continued about options:

1. Allow them to reuse the water service on Pilkington and have them install one more.
2. Issues are: Is the Ordinance intended and do we enforce them replacing the main in the frontage of their property.
3. Kyle feel it is intended that if a property owner decides to tear down their house and rebuild it that they aren't required to replace the main frontage.
4. Do you require them to replace that AC main?
5. Board discussed where the ductile iron has been replaced in Pilkington.

6. Situation that Developer is in that when he submitted his plans to LO the water was coming off of Jean Road and no main upgrades were necessary. Then LO required the change of them fronting Pilkington.
7. Board felt that we need to be consistent with what is written in the Ordinance in Section 26. Kyle pointed out that if the Developer is required to upgrade the AC there is a short section of AC that would be beneficial to the District to work with the Developer to have them replace the entire section and the District pay their share.
8. Commissioner Patterson asked what would be the cost? Kyle figured it would be close to \$250 per foot. Board consensus was that Kyle and DJ negotiate with the Developer to have the frontage on their property plus the additional frontage on the lot next to them replaced with Ductile iron. They would bring back the cost estimates and information to the Board. The District would work with them to share in the costs.

Mission Court: Kyle noted that this is much the same as the issue at 5550 Jean Road

1. There is a very short section 165 feet of AC main that will be left from the project to Dawn Street. What DJ and Kyle are suggesting is that the District pay for the costs of the 165 feet and work with the developer to replace that 165-foot section. According to Kyle the cost of replacement to the District will probably be from \$41,150 to \$50,000.
2. Chair DeVries stated that of course this always comes down to budget where would the funds come from? DJ felt that the funds would come from the Capital Improvement Fund and she thought that we have a line item entitled Distribution Contingencies. She also felt that it probably wouldn't come out of this fiscal year as slow as these are to get started. We could then make sure it was included in the budget for this next fiscal year.
3. Conceptually it makes sense to the Board to replace these sections as financially possible.

TAB 3- 10-01 Ordinance update pages 7-16 up to Section 24-Tabled Executive Session-Tabled

FINANCIAL REPORT

TAB 4- September 2018 Bank Checking, Water Deposit, LGIP Reconciliations Statements and Reconciliations

DJ stated that she and Colleen did the Bank statements together. It took a while because there were some checks that weren't put in, deposits that were incorrect, and six chargeback checks that we had to put in. But we finally reconciled the checking account. However, the deposit account was a piece of cake as there were hardly any entries. In order to do the billing, there were over 30 starts/finals that hadn't been processed and were laying around.

DJ said Colleen had sent out notices to those customers that had NSF checks/autopayment failures along with a fee for that.

Chair DeVries noted that the paperwork was missing the stamps-the review by for their initialing and also Check number stamps. Chair DeVries also requested that the lines are included in the transfer section of the financial report. Chair DeVries also talked about

the new transfer form and thought it was helpful and possibly both should go into the finance report.

DJ stated that she did a lot of transfers that were put off and hadn't been done and actually figured out how to do the journal entry to make the transactions show up on the budget to actual statement. DJ stated that she also spent a day with the Auditor because the field work for the last fiscal year hadn't been done.

TAB 5: Profit and Loss Budget vs. Actual, P & L by Class, Trial Balance, Fiscal year 2018-2019 Pay Bills

DJ has corrected all the improperly expensed line items in the report from the previous financial employee. She is working on clearing up the payroll issues that are causing us to get correspondence from the IRS and the State Department of Revenue.

TAB 6: Approval for Payment Form & Supporting Document

All the bills have been paid and a transaction form attached to the list of bills.

TAB 7: District Report: DJ noted the following in addition to what was said previously.

TAB 8: District Health insurance renewal status

Renewals to Employee Health insurance:

DJ noted that this is one area where having Daniel employed here was a benefit because of his age. Our renewal this year replaced Daniel with Eelia. The age census was brought up so our first renewal numbers that came to us went from approximately \$600 per month to \$805.33 dollars per month or a 37% increase for medical insurance. Since then Rick has opted to go on the Senior Advantage portion of our group plan, which takes him out of the census and brings the cost of his medical plan to \$291.60 per month. However, it cost him to do that \$136 for Medicare B from his SS. Then our District health group plan was renegotiated and the price per employee with the exception of Rick went down to \$706 per month.

DJ asked the Board if the District could reimburse Rick for the cost of the Medicare B plan of \$136 per month? DJ stated moving him to the Senior Advantage plan helped the District bring the cost of his insurance down to \$291.60 per month (from possible \$805) plus took him out of the census so that we were able to renegotiate the renewal rate and bring the employee cost of \$805 per month to \$706 per month. Board consensus was yes that would make sense to reimburse Rick for the cost.

DJ stated that we also got a reimbursement dividend check from SAIF of over \$1,068.

DJ also discovered that Eelia had overpaid the deferred compensation for the employees. Chair DeVries asked DJ to research and the Board to discuss.

Commissioner Patterson moved that the Financial report be approved. Commissioner Roth seconded. Motion passed. Commissioners Roth, Patterson, and DeVries voted aye. Nays-None.

Commissioner Patterson moved that we pay the bills. Commissioner Roth seconded. Motion passed. Commissioners Roth, Patterson, and DeVries voted aye. Nays-None.

All Board members present reviewed and signed the "Approval of Payment Form. And all Board members present reviewed and signed the form entitled Rivergrove Water District-Bank & LGIP Statements." Chair DeVries signed the check list the "Financial report check list" for this meeting.

TAB 9: Pump Reads-Nothing new.

Commissioner and Staff Comments: None

Commissioner Volunteer to sign checks this month: Commissioner Roth volunteered to sign checks and he said mornings are good for him.

Non-agenda items: None

Agenda Consensus for November 19th, 2018, 2018 Meeting

Ordinance review and update

Chair DeVries adjourned the regular Board meeting at 8:56 AM.

Respectfully submitted,



DJ Ezell,
Water District Manager
Rivergrove Water District

These minutes are not verbatim and the meeting was tape recorded.

ORS 192.650 Recording or written minutes required; content; fees. (1) The governing body of a public body shall provide for the sound, video or digital recording or the taking of written minutes of all its meetings. Neither a full transcript nor a full recording of the meeting is required, except as otherwise provided by law, but the written minutes or recording must give a true reflection of the matters discussed at the meeting and the views of the participants. All minutes or recordings shall be available to the public within a reasonable time after the meeting, and shall include at least the following information:

- (a) All members of the governing body present;
- (b) All motions, proposals, resolutions, orders, ordinances and measures proposed and their disposition;
- (c) The results of all votes and, except for public bodies consisting of more than 25 members unless requested by a member of that body, the vote of each member by name;
- (d) The substance of any discussion on any matter; and
- (e) Subject to ORS 192.410 to 192.505 relating to public records, a reference to any document discussed at the meeting.